


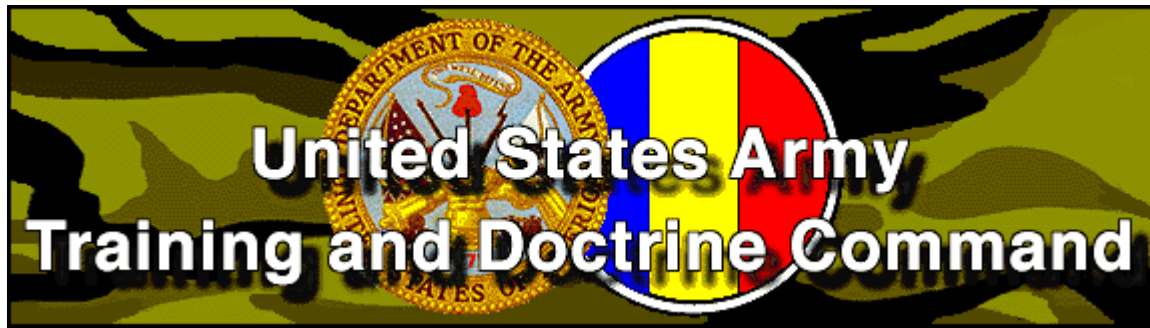
MEMORANDUM FOR TRADOC Installation IRAC Offices

SUBJECT: Performance Work Statement (PWS) Consulting Review Guide, ATIR 00-21

1. Enclosed is subject guide.
2. We have prepared this guide for use during our consulting reviews of the various commercial activities studies currently ongoing throughout TRADOC. Many of you are also involved as independent reviewers on your installations. We offer this guide for consideration during your consulting reviews.
3. Point of contact is Betty Downs, downsb@monroe.army.mil, DSN 680-3065.

A handwritten signature in black ink, reading "Frank W. Slayton". The signature is written in a cursive, flowing style.

FRANK W. SLAYTON
Chief, Office of Internal Review
and Audit Compliance



**INTERNAL REVIEW AUDIT GUIDE: ATIR 00-21
11 JULY 2000**

***PERFORMANCE WORK
STATEMENT (PWS)
CONSULTING REVIEW GUIDE***

**PENINSULA OFFICE OF
INTERNAL REVIEW AND AUDIT COMPLIANCE
US ARMY TRAINING AND DOCTRINE COMMAND
FORT MONROE, VIRGINIA 23651-1212**

**PENINSULA OFFICE OF
INTERNAL REVIEW AND AUDIT COMPLIANCE
U.S. ARMY TRAINING AND DOCTRINE COMMAND
FORT MONROE, VIRGINIA 23651-5000**

PERFORMANCE WORK STATEMENT CONSULTING REVIEW GUIDE

AUDIT GUIDE: ATIR 00-21

11 JULY 2000

I. POLICY

Preparation of the PWS is critical since it is the basis for the cost comparison. It must be sufficiently comprehensive to ensure that in-house or contract performance satisfies government requirements. The PWS must clearly state **what** is to be done without describing **how** it is to be done. The PWS should describe the output requirements of the operation, including the responsibilities and requirements for facilities, equipment and material. It should also provide performance standards, maximum allowable deviation from standard, a method of surveillance, and a maximum payment percentage. The PWS forms the basis for both the in-house and contractor cost estimates.

II. OBJECTIVE.

To determine if the PWS reasonably presents the work to be performed. Specifically:

- 1) Does the PWS reasonably describes the essential tasks and technical requirements for services required?
- 2) Is the PWS clear and complete? (The independent reviewer must study carefully the PWS and solicitation documents which specify the scope of work and level of performance since they are the basis of both in-house and contract performance costs.)

III. SCOPE

In regard to the PWS, the reviewer's task is to determine that the PWS complies with DA PAM 5-20. In regard to specific tasks, the reviewer's task is limited to determining whether the PWS data are consistent, are accurate and clearly state the workload requirements to estimate the costs of in-house or contract performance. The functional manager is responsible for determining the tasks to be in the PWS. Contracting and legal personnel are responsible for developing contractual language in the PWS and solicitation which is unambiguous and enforceable, complying with acquisition regulations, statutes and decisional law affecting the federal procurement process. The PWS should accurately describe the essential and technical requirements for items, materials, or services including the standards used to determine whether these requirements have been met. Since the PWS establishes the baseline for the cost comparison, the data should be critically reviewed to assess their clarity and completeness for cost estimating purposes.

IV. REVIEW STEPS

Before beginning the actual review of the PWS, review the requirements of AR 5-20, and DA Pam 5-20. Ensure that you have all the following information from the activity:

1. Paper copy/diskette of final draft performance work statement (PWS). Does it include DA Form 5473-R (Performance Requirements Summary), DD Form 1423 (Contract Data Requirements List) and DD Form 1664 (Data Item Description) complete and available (included in technical exhibits)?
2. Supporting methodology for workload exhibits.
3. The contractor's analysis of workload data in electronic format.
4. Copy of the Commercial Activities Proposed Action Summary (CPAS).
5. Copy of the baseline table of distribution and allowances (TDA) and current TDA (if there are major changes) for functions in the PWS (should include names of personnel currently occupying positions). Include any reconciliation of the CPAS to the TDA performed.
6. Mission and function statements for the functions in the study.
7. Any performance measures prepared under the Government Performance and Results Act for functions in the study.
8. Any activity-based costing information and other studies that may be applicable to the commercial activities study.
9. List of all current contracts performing functions included in the study (if not included in the PWS)
10. Identification of tasks/functions in the study that are currently being performed by personnel not in the TDA (such as inmate labor, borrowed military personnel and volunteers).
11. A list of all organizations and activities excluded from the study. Does the list include all governmental in nature and residual organization spaces, the rationale for each determination, and the garrison commander's approval? Does the list include all work currently performed by the in-house function which will be moved to another in-house organization or contractor.
12. Are all Technical Exhibits and required documents ready for review? Is there an audit trail, including supporting documentation for all Technical Exhibits and required documents, which includes: the source of the data used, the name of the author and

responsible office, the date produced and the method used to incorporate updates and changes?

13. If any facilities or equipment are to be used by the MEO but not provided to the contractor, ask for documented analysis of the costs and benefits of not offering facilities and equipment to prospective contractors versus reprogramming the facilities and equipment.
14. List of study team members and other key personnel—including phone number and e-mail—within the organization who helped prepare the PWS.

NOTE: The PWS review may be accomplished concurrently with the review of the in-house cost estimate. However, the PWS review can be accomplished any time following the approval of the PWS by the appropriate authorities, as long as it is completed in time for the in-house cost estimate to be reviewed and sealed prior to receipt of contractor bids or proposals. Any comments or recommendations resulting from the PWS review should be provided to the Installation IRAC POC and the TRADOC DCSRM POC in the form of a bullet chart report. The numbered steps below outline a systematic method of conducting an independent review. Basis for answers to questions should be supported with appropriate interviews and/or review of the PWS and supporting documentation.

1. This step examines the PWS package and the elements within it to see that all required elements are present.

NOTE: Review DA PAM 5-20 paragraph 3-10, General hints for structuring, before beginning the next section.

1.1 Check the PWS package to see that it has the following required parts

1.11 Performance Work Statement YES_____ NO_____

1.12 Quality Assurance Surveillance Plan YES_____ NO_____

1.13 Contract Administrator's Plan YES_____ NO_____

1.2 Check the PWS for completeness. Inspect it to see if it contains all of the following elements:

1.21 General Information (Section C-1) YES_____ NO_____

1.22 Definitions (Section C-2) YES_____ NO_____

1.23 Government Furnished Property and Services (Section C-3)
YES_____ NO_____

- 1.24 Contractor Furnished Items and Services (Section C-4) YES_____ NO_____
- 1.25 Specific Tasks (Section C-5) YES_____ NO_____
- 1.26 Applicable Publications and Forms (Section C-6) YES_____ NO_____
- 1.27 Technical Exhibits (TEs) YES_____ NO_____

NOTE: The following are types of TEs:

1. Performance Requirements Summary YES_____ NO_____
2. Workload Estimates YES_____ NO_____
3. Maps and Work Area Layouts YES_____ NO_____
4. Required Reports YES_____ NO_____
5. Government-Furnished Items YES_____ NO_____

NOTE: First check to see if a Government-Furnished Items TE is present. If so, then check to see if the following sections are present:

- A. Government Furnished Facilities YES_____ NO_____
- B. Government-Furnished Equipment YES_____ NO_____
- C. Government-Furnished Material YES_____ NO_____
6. Quality Standards YES_____ NO_____
7. Performance Requirements Summary Table (when random sampling is used as the surveillance method) YES_____ NO_____

NOTE: Some PWSs may not have government furnished items. Even if this is the case, (Section C-3) should be included in the PWS format, with a statement that no property, equipment or services will be supplied by the government. Also, there may be cost comparisons in which not every element listed above is appropriate for that particular cost comparison. However, at least in the initial review the question should be raised if an element is missing. If an element should be present and is missing, this is a significant omission. If an element is not appropriate to a particular cost comparison, then its absence is not significant, though the format may be preserved by including the section with a comment that it is not applicable. Steps 2 through 8 below look at some of the above elements of the PWS in greater detail.

1.3 If any negative responses have been checked under step 1, make a checkmark at step 9 next to #1.

NOTE: A more detailed examination of the PWS now begins.

2 Examine the General Information section (C-1) of the PWS to see if it provides an adequate overview.

2.1 Is there a brief summary of what the function is and the location at which it is to be performed? YES_____ NO_____

2.2 Are personnel matters addressed, including the role of a project or contract manager and any special requirements of personnel (e.g. security requirements or specialized training)? YES_____ NO_____

2.21 Identify any requirements for highly skilled certified personnel. Are these requirements necessary and will the same requirements be met by the MEO? YES_____ NO_____

2.22 Look for phases inferring positions are meant to be full time: *independent, dedicated to performing, located full time at, and on-site during normal operating hours*. Will the MEO include a full-time position for any instances of these found? YES_____ NO_____

2.3 Are requirements for the contractor to provide quality control addressed? YES_____ NO_____

2.4 Are the government's quality assurance methods addressed? YES_____ NO_____

2.5 Are hours of operation specified, including normal duty hours and a list of federal holidays? YES_____ NO_____

2.6 If applicable, are requirements to support emergencies and contingencies outside normal duty hours addressed? YES_____ NO_____

2.7 Are local requirements regarding subjects such as safety, fire prevention, physical security, traffic control, energy conservation or other appropriate concerns addressed? YES_____ NO_____

2.8 Has the General Information section (C-1) provided a satisfactory overview of the PWS? YES_____ NO_____

2.9 If any negative responses have been checked under step 2, make a checkmark at step 9 next to #2. YES_____ NO_____

3 Examine the Definitions section (C-2) to see whether or not it establishes adequate common meanings for the activities, concepts and terms used throughout the PWS.

YES_____NO_____

3.1 Are all special terms in the PWS (including technical exhibits) defined so that they are readily understandable?

YES_____NO_____

3.2 Have all acronyms, abbreviations or special terms been clearly defined?

YES_____NO_____

3.3 Have terms used in the Specific Tasks section (C-5) been clearly defined?

YES_____NO_____

3.4 A good definition should not contain the word being defined. Are all the definitions in this section adequate?

YES_____NO_____

3.5 If any negative responses have been checked under step 3, make a checkmark at step 9 next to #3.

4 Government Furnished Property and Services (Section C-3). When existing assets used by the Government's MEO are not provided to the ISSA or contractor for use, a cost benefit analysis should have been prepared. The determination not to provide MEO assets must be supported by current, accurate, and complete information and be provided to the independent reviewer. (Please note: failure to provide government facilities or equipment to the contractor, that are to be used by the MEO, result in a charge to the in-house organization's cost.) NOTE: the independent reviewer must not have been involved in any way with preparing the cost-benefit analysis. If you find yourself reviewing a cost-benefit analysis you prepared, or assisted in preparing, notify your supervisor immediately.

4.05 Look for restrictions on the government furnished property such as "*one-time, or in as-is condition.*" These phrases imply that the Government does not intend to replace the property due to obsolescence or due to fair wear and tear. Is the activity aware that these would not be considered a common cost for cost comparison purposes and should result in a charge to the in-house organizations cost?

YES_____NO_____

4.1 Determine from the PWS and Management Plan/MEO whether or not government assets will be used by the MEO but not provided for contract or ISSA performance.

YES_____NO_____

4.11 If "NO" to 4.1, continue your review at Step 4.2.

4.12 If "YES" to 4.1, does the cost-benefit analysis justify the decision not to provide government assets (used by the MEO) for contract or ISSA performance? (Check the rationale in the analysis and all significant calculations. Check to see if the property or equipment in the

PWS is consistent with the cost-benefit analysis and the MEO.)

YES_____ NO_____

4.121 If “NO,” identify in detail the reasons why the cost-benefit analysis does not justify its conclusions, or is inconsistent with the PWS or MEO.

NOTE: The cost-benefit analysis is not a part of the PWS. However, government furnished property and services contained in the PWS, used by the MEO, but not provided for contract or ISSA performance must be supported by such an analysis..

4.2 Examine this section on Government Furnished Property and Services (C-3) to see if it adequately describes government facilities, equipment, and materials.

4.21 Are there any omissions of materials or services mentioned elsewhere in the PWS (especially in Section C-5, Specific Tasks) which should be included?

YES_____ NO_____

4.22 If equipment is to be supplied, has responsibility been assigned for its maintenance or, if necessary, replacement?

YES_____ NO_____

4.23 For materials and equipment, has adequate provision been made for accountability and stewardship of government property by providing for an initial and closing inventory?

YES_____ NO_____

4.24 If property or facilities will be supplied, have provisions for possible alternations been made?

YES_____ NO_____

4.25 For property and facilities, have acceptable conditions and standards been set for return to the government after use by the contractor?

YES_____ NO_____

4.26 Has use by the contractor of any property which is leased by the government been addressed?

YES_____ NO_____

4.27 Do facility Technical Exhibits reasonably show facility data and display inventories and installed equipment?

YES_____ NO_____

4.3 Are any government furnished property, equipment or services listed in the PWS (e.g. materials or utilities) consistent with any Government furnished materials listed in the contract solicitation document?

YES_____ NO_____

4.4 If any negative responses have been checked under step 4, make a checkmark at step 9 next to #4.

5 Examine the section on Contractor Furnished Items and Services (Section C-4). It is not necessary that this list include all the items which the contractor will use, but only those specific items which may be essential to the function and which may therefore require mentioning.

Excessive direction on items to be used should be avoided, since contractors may come up with different and perhaps more efficient means of performing the function. A general statement to the effect that the contractor shall furnish everything except for those services or items furnished by the government in Section C-3 is normally sufficient.

5.1 Does this section adequately describe the categories of items that the contractor will supply (materials, tools, equipment, etc.) YES_____ NO_____

5.2 Is the following statement true: there is no duplication in this section of property furnished by the government as found in Section C-3.
YES_____ NO_____

5.3 If materials or supplies must meet a minimum government standard, have the specifications been provided? YES_____ NO_____

5.4 If any other quality standards are required, have they been adequately specified? YES_____ NO_____

5.5 If it would be unreasonable to expect a contractor to replace an item due to high cost or uncertain usage patterns, has provision been made for government reimbursement?
YES_____ NO_____

5.6 If any negative responses have been checked under step 5, make a checkmark at step 9 next to #5.

6 The specified tasks which form the heart of the PWS must be clearly identified before the PWS can be priced. The specific tasks are normally found in Section C-5. In addition, any corresponding performance indicators, standards and acceptable quality levels are normally identified in a technical exhibit, Performance Requirements Summary (PRS).

6.1 Do the specific tasks reasonably correlate to the scope of work? YES_____ NO_____

6.2 Has the function as a whole and its major tasks and subtasks been broken down sufficiently so that the scope of work is reasonably clear? YES_____ NO_____

NOTE: In preparing the PWS, functional experts conduct job analysis to break down tasks into subtasks. (See DA PAM 5-20 paragraph 3-3). For example, an activity such as vehicle maintenance might include tasks such as maintenance of vehicle electrical systems, coolant systems, etc. Questions concerning level of task breakout should be addressed to functional experts. The reviewer must ultimately make a judgment as to whether or not the task breakout is reasonable. However, tasks which are not sufficiently broken out may not be able to be adequately captured as costs. Therefore examining the description of tasks is a very important part of the review.

6.11 Have both the items to be operated upon in a particular work activity and desired outputs been clearly stated for each job activity, so that the expectations of those responsible for the function are clearly described?

YES_____ NO_____

6.12 Can the tasks and materials be measured in terms of type, quantity, and time required, etc.?

YES_____ NO_____

6.121 If "YES," have the tasks or materials been sufficiently quantified?

YES_____ NO_____

6.13 Is the historical data clear and do they provide an acceptable basis for an estimate? Are key task statements capable of being verified with supporting workload data? Is the workload based on the most current data available and reflective of the work expected during the period of performance? (In accordance with DA Pam 5-20, paragraph 3-7.f.(1), at least 9 months of historical workload data must be provided. And, there must be a method to replace the oldest month of historical data with current data when 12 months of current workload has been gathered.) Has an analysis of the workload been performed to reflect the impacts of changing conditions?

YES_____ NO_____

6.131 Is workload data annualized where supporting data was less than 1 year?

YES_____ NO_____

6.132 Are consistent time periods used for reported workload data?

YES_____ NO_____

6.14 Do any workload estimates in Technical Exhibit 2 support the specific tasks? (Specifically concentrate on the major cost drivers.)

YES_____ NO_____

6.15 Does the performance work statement only include work that is required? Is the required work currently being performed by the in-house work force (or capable of being performed by the most efficient organization work force) to the standard listed in the performance work statement?

YES_____ NO_____

6.16 Does the performance work statement exclude tasks and activities performed by the governmental in nature and residual organization staffs?

YES_____ NO_____

6.17 Does the performance work statement exclude workload currently being performed by personnel not officially assigned to the function, including borrowed military manpower, volunteers and prison labor? If so, will this workload be excluded by the most efficient organization?

YES_____ NO_____

6.171 Do scheduled task statements in technical exhibits exclude work to be removed from the activity under study and given to other activities or contractors?

YES_____ NO_____

6.172 Do scheduled task statements in technical exhibits exclude work currently performed under existing contracts that will not be changed because of the study?

YES_____ NO_____

6.18 Are work outputs and performance measures available for all tasks included in the performance work statement? Are performance standards (quality, quantity and timeliness) tied to the performance requirements?

YES_____ NO_____

6.19 In accordance with AR 5-20, paragraph 4-7, does the performance work statement describe all functional and performance requirements of the work, the location of the work, the units of work, the quantity of work units, and the quality and timeliness of work units, available?

YES_____ NO_____

6.191 Do scheduled task statements in technical exhibits reflect the appropriate level of performance standard? (PWS should not require higher standards than installation would normally provide - AR 5-20 paragraph 3-4)

YES_____ NO_____

6.2 Have the duty hours for completing any specific tasks been spelled out?

YES_____ NO_____

6.21 Are any duty hours or other times for performing specific tasks consistent with any times of performance listed in the contract solicitation document?

YES_____ NO_____

6.22 If any tasks will be required during hours other than normal duty hours, have special duty hours for these tasks (including night shifts, overtime, or weekends) been indicated?

YES_____ NO_____

6.3 Should government sources be cited to specify any specific tasks or their method of accomplishment?

YES_____ NO_____

NOTE: Tasks do not necessarily have to be specified in government sources. However, as part of the review you should raise this question, since requirements for tasks sometimes are spelled out in technical manuals or other Army guidance. Failure to cite a required task, or a required procedure to accomplish a task, could result in bids which do not really accomplish the needed work. Another consideration is that the PWS should generally state what needs to be done without dictating the method of accomplishment. However, there may be cases in which the Army has determined that a specific procedure is mandatory. If a procedure has been mandatory in the past, one may raise the question whether it should continue to be mandatory in view of developments in technology or alternative ways of accomplishing a goal. For example, an installation may want to request, through command headquarters, a review of a procedure mandated by the Army.

6.31 If government sources (e.g., Army guidance, manuals etc.) are referenced identifying what is to be done, is the reference specific (e.g., chapter , page number, section or paragraph number, etc.)? YES_____ NO_____

6.32 Have *current* government sources been used to identify specific required tasks? Check the dates of any cited sources to see if they are consistent with publications information. YES_____ NO_____

6.33 Is the following statement true: No government sources significant to the requirements of the activity undergoing cost comparison have been omitted. YES_____ NO_____

6.34 Could the requirement in any referenced sources be extracted and included in the PWS so that referencing could be eliminated? YES_____ NO_____

6.4 If conforming to any government directives is required, does the package state where contractors may locate them? YES_____ NO_____

6.5 If any negative responses have been checked under step 6, make checkmark step 9 next to #6.

7 Examine Section C-6, "Applicable Publications and Forms," to see if all directives or forms are referenced.

7.1 Have all the directives referenced in the PWS been listed by title and date? YES_____ NO_____

7.2 Is the following statement true: there are no directives contained in the list which are not referenced in the PWS? YES_____ NO_____

7.3 Has the responsibility for obtaining any future editions, supplements, amendments or changes to these directives been assigned to either the contractor or the government? YES_____ NO_____

7.4 Has provision been made for changes in directives which would result in a change of contract price, whether an increase or a decrease? YES_____ NO_____

7.5 Have all Government or Army forms which must be used been listed? YES_____ NO_____

7.6 Are all regulations and guidance listed in Section C.6 of the performance work statement the current versions? YES_____ NO_____

7.7 If any negative responses have been checked under step 7, make a checkmark at step 9 next to #7. YES_____ NO_____

8 Examine the Technical Exhibits section for agreement with the PWS. Technical exhibits may include performance requirements summaries, workload estimates, maps and work area layouts, required reports, descriptions of government furnished items, quality standards, acceptance/rejections tables, sample size charts, or any other technical materials in support of the PWS.

8.1 Are any cross-references in technical exhibits consistent with the cited sections of *this* PWS? YES_____ NO_____

8.2 Is the following statement true: there are no references in the PWS to technical exhibits which cannot be found in this Technical Exhibits section? YES_____ NO_____

8.3 Does the total of all payment percentages equal 100% for each contract line item? YES_____ NO_____

8.4 Does the performance work statement include a technical exhibit listing all contracts for work that will not be done by the most efficient organization? YES_____ NO_____

NOTE: A contract line item is a commercial activity function solicited as a unit, e.g. "commissary stocking" or "support services." Each line item may have a series of PRSs, for which the total of all payment percentages should equal 100%.

8.4 Check the Performance Requirements Summary (PRS, Technical Exhibit 1 to the PWS) against Section C-5 of the PWS for consistency. The PRS lists the service outputs to be evaluated by the Quality Assurance Evaluator. Check for consistency between these two sections and for a breakout of tasks so that costs can be reasonably estimated.

8.41 Is the following statement true: there are no inconsistencies between Section C-5 of the PWS and the PRS in Tech Exhibit 1? YES_____ NO_____

8.42 Are requirements in the PRS sufficiently stated so that costs can be reasonably estimated? YES_____ NO_____

8.43 Is there a workload estimate for each required service in the PRS? YES_____ NO_____

8.44 Does the PRS provide performance standards (indicators) and quality criteria? YES_____ NO_____

8.45 Payment percentages may be associated with PRSs. Payment percentages, if used, usually relate to more significant tasks in the contract. If payment percentages are used, check to see that the percentages for a given item do not exceed 100%. However, payment percentages do not necessarily total to 100%, since tasks of less significance may not be included.

8.451 If payment percentages are used, do they exceed a total of 100% for a given item?
YES_____ NO_____

8.452 If payment percentages are used, do they appear to cover the more significant tasks in the activity?
YES_____ NO_____

8.5 If any negative responses have been checked under step 8, make a checkmark at step 9 next to #8.

9 This step gathers all negative responses from steps 1 thru 8. All negative responses in steps 1 thru 8 form the basis for comments or recommendations on the PWS. Checkmarks next to the step numbers below indicate that a negative response has been entered under this step. Refer back to these sections to formulate your comments or recommendations, providing a specific page and paragraph reference in the PWS for every comment.

#1_____	#3_____	#5_____	#7_____
#2_____	#4_____	#6_____	#8_____

Provide any comments or recommendations based upon negative responses from steps 1 through 8. Be sure to indicate if any comments address an error which is significant in nature. Certain steps in this review process have been noted as significant requirements. However, the auditor must also judge which recommendations are significant. A main criterion for the independent review is reasonableness.

9.1 Have all comments or recommendations resulting from the negative responses in steps 1 through 8 been included in your report?
YES_____ NO_____

9.2 Do any comments or recommendations found in the review of the PWS constitute a significant error in the entire PWS package?
YES_____ NO_____

10 Any amendments to the solicitation must be carefully examined to determine if they have any impact on the PWS. The content of any amendments impacting the PWS should be examined using applicable sections in this guide.

10.1 Do any amendments to the solicitation have a significant impact on the PWS which has not been accounted for?
YES_____ NO_____

11 Any significant errors found in the review of the PWS must be addressed before certification of the cost comparison can take place.

11.1 Have any significant errors found in the PWS been addressed?
YES_____ NO_____